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BULLETIN

MARKET ADMINISTRATOR

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January Milk Production Below Year-Ago Level

The Dairy Situation, Economic Research Service USDA, February 1963

January milk production was 10,043 million pounds, a seasonal gain of only 230 million pounds over the 9,813 million in December. This is the smallest December to January increase since January 1940 when production declined from December. January milk production was 0.7 percent under last January's figure and the revised December output, down 0.3 percent below a year earlier, although in September, October, and November production was above a year earlier. The decline in January reflects Wisconsin's first milk production fall below a year earlier since June 1961 and lower production in the Lake, Cornbelt, and Plains States. Increased production in the Northeast States and scattered gains among the South Atlantic and Western States were insufficient to offset these losses.

Despite downward revisions in production estimates for some months, total milk production in 1962 was a record 125.9 billion pounds, about $\frac{1}{2}$ billion above 1961. Peak monthly production in 1962 was 12,429 million pounds in May, and the monthly low was 9,345 million in November. Each year since 1962, these have been the high and the low production months of the year. The long-time trend toward more even month-to-month milk production, which has occurred since the 1940's, continued in 1962.

Production in May was 118 percent of the year's average monthly production; output in November was 89 percent of the average. This compared with an average of 123 percent for May and 84 percent for November in 1935-39.

Milk production in 1962 was characterized by extraordinary gains over 1961 in Wisconsin and Michigan. Percentagewise, in early 1962 Michigan's gain was around 5 percent over a year earlier and for the year amounted to 3.7 percent. While Wisconsin's production gain in 1962 was lower, 2.9 percent over 1961, the absolute increase amounted to more than a half-billion pounds of milk.

Milk production last year in the Lake States, which include Minnesota, as well as Michigan and Wisconsin, was 683 million pounds, or 2.0 percent, above 1962. This region accounted for the bulk of the 1962 increase in milk production.

Production during last spring and summer in the Northeastern States fell sharply below expectations, after pasture conditions declined because of the worst drought reported there in the past 50 years. Improved forage conditions, starting in August, along with heavy grain feeding and excellent quality roughage during the fall, brought Northeast production sharply upward during that

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EFFECTS OF COW NUMBERS ON 1963 MILK PRODUCTION

The Dairy Situation, Economic Research Service USDA, February 1963

The average number of milk cows during a year usually is about 2 million less than the January 1 number of cows and heifers 2 years old and older kept for milk. For example, on January 1, 1962, there were 19.2 million cows and heifers 2 years old and older kept for milk. In 1962, there was an average of 17.1 million cows. On this basis, there will be an average of around 16.7 milk cows in 1963.

If the milk production gain per cow this year is close to the approximately 200 pounds average annual gain of the past 10 years, based on 16.7 million cows, total milk production would be around 126.5 billion pounds. A gain of more than 200 pounds could occur, given normal pasture conditions, because: (1) Increased liquidation of milk cows undoubtedly tends to move lower-than-average producing cows to market; (2) the trend toward large dairy herds, tends to move cows into improved management situations; (3) grain and concentrate feeding, as shown by December and January information, are at substantially higher rates than a year earlier in all regions except the West North Central. In 1956, 1958, and 1959, milk production gains per cow were 230 pounds or more. An increase of 230 pounds in production per cow, to 7,600 pounds, would bring total milk production close to 127 billion lbs.



Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	\$4.03
Producers' Uniform Price (4%)	4.39
Class I (3.5%)	4.21
Class II (3.5%)	3.801
Class III (3.5%)	3.652
Class IV (3.5%)	3.052
Producer Butterfat Differential for each one-tenth percent	7.2¢

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	79.0
Percent of Producer Butterfat in Class I	71.7
Percent of Producer Milk in Class II	6.8
Percent of Producer Butterfat in Class II	1.8
Percent of Producer Milk in Class III	2.7
Percent of Producer Butterfat in Class III	7.2
Percent of Producer Milk in Class IV	11.5
Percent of Producer Butterfat in Class IV	19.3

PRODUCER MILK RECEIPTS

Total Pounds of Producer Milk Delivered	34,477,158
Average Daily Class I Producer Milk	972,072
Total Number of Producers	1,385
Average Daily Receipts per Producer	889
Average Butterfat Test	3.94
Total Value of Producers Milk at Test	\$1,493,523.47
Income per Producer (7 day average)	\$269.59

GROSS CLASS USE (Pounds)

Class I Skim	26,274,993
Class I Butterfat	973,172
Class I Milk	27,248,165
Class II Skim	2,415,861
Class II Butterfat	24,949
Class II Milk	2,440,810

AVERAGE DAILY SALES (Quarts)

Milk	327,637
Buttermilk	4,581
Chocolate	17,833
Skim	13,086
Cream	8,616

Feb. 1963	Jan. 1963	Feb. 1962
\$4.03	\$4.00	\$4.28
4.39	4.36	4.66
4.21	4.22	4.516
3.801	3.797	4.116
3.652	3.651	3.887
3.052	3.051	3.261
7.2¢	7.2¢	7.6¢
79.0	77.7	77.5
71.7	70.3	70.2
6.8	6.6	6.8
1.8	1.7	1.9
2.7	2.2	2.0
7.2	4.4	2.8
11.5	13.5	13.7
19.3	23.6	25.1
34,477,158	35,845,288	30,576,654
972,072	898,247	846,068
1,385	1,329	1,326
889	870	824
3.94	3.97	3.93
\$1,493,523.47	\$1,555,681.25	\$1,405,441.58
\$269.59	\$264.32	\$264.28
26,274,993	26,844,023	22,846,772
973,172	1,001,621	843,141
27,248,165	27,845,644	23,689,913
2,415,861	2,359,004	2,058,260
24,949	23,434	23,217
2,440,810	2,382,438	2,081,477
327,637	310,467	306,296
4,581	4,308	4,657
17,833	15,953	16,969
13,086	12,167	12,321
8,616	8,504	8,724

COMPARATIVE STATISTICS

COLUMBUS MARKETING AREA

Feb., 1954 - '63

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1954	21,690,415	3.96	71.0	13.0	16.0	—	4.13	4.34	3.94	3.46	—	2,238	346
1955	21,417,170	3.94	77.1	8.1	7.1	7.7	4.02	4.23	3.83	3.83	3.154	2,132	359
1956	23,832,175	3.89	75.7	9.8	6.9	7.6	3.91	4.094	3.694	3.694	3.118	2,074	396
1957	21,646,895	3.80	85.7	8.7	2.9	2.7	4.44	4.529	4.129	4.029	3.063	1,921	402
1958	22,305,961	3.86	83.9	9.6	3.1	3.4	4.38	4.504	4.104	4.003	3.082	1,844	432
1959	21,909,063	3.85	86.4	10.7	.8	2.1	4.34	4.44	4.04	3.94	2.869	1,689	463
1960	27,057,916	3.93	80.9	7.2	2.2	9.7	4.28	4.508	4.108	3.742	2.993	1,703	548
1961	27,302,402	3.87	78.4	7.9	1.5	12.2	4.44	4.715	4.315	3.842	3.095	1,482	658
1962	30,576,654	3.93	77.5	6.8	2.0	13.7	4.28	4.516	4.116	3.887	3.261	1,326	824
1963	34,477,158	3.94	79.0	6.8	2.7	11.5	4.03	4.21	3.801	3.652	3.052	1,385	889

CCC Purchases Below Last Year

The Dairy Situation, Economic Research Service USDA, February 1963

In January this year, CCC's butter purchases were 38 million pounds, 14 percent below last January. During the first quarter of 1962, purchases of butter rose sharply above a year earlier as the result of an anticipated drop in price support levels, as well as increased production. Since there is general expectation of no April 1 change in the price support level, CCC purchases now are following a pattern in line with commercial demand and production. Milk production is running slightly under a year ago; there is little change in commercial demand. Therefore CCC purchases of butter in this quarter probably will be well below those of a year earlier. Purchases during the

second quarter are expected to rise seasonally.

In December and January, CCC purchased (delivery basis) only 12.5 million pounds of cheese compared with 32.0 million a year earlier. Cheese purchases have been below a year earlier since August. This lower level reflects the approximately 4 percent drop in American cheese production below a year earlier; a lower level of commercial stocks of American cheese than a year ago; and increasing commercial disappearance during the closing months of 1962. CCC purchases of nonfat dry milk (delivery basis) fell to 67 million pounds in December, 16 million below the 83 million pounds in December 1961, and in January they

were 110 million compared with 117 million in January 1962.

Deliveries of dairy products to CCC in 1962 amounted to 403 million pounds of butter, 214 million pounds of cheese, and 1,278 million pounds of nonfat dry milk. This compares with 330 million pounds of butter, 100 million pounds of cheese, and 1,086 million pounds of nonfat dry milk in 1961.

In terms of milk equivalent, CCC in 1962 purchased 10.6 billion pounds compared with 7.9 billion in 1961. In 1962, this included 403 million pounds of milkfat and 1,392 million pounds of solids-not-fat, or 8.5 percent of the milkfat and 12.8 percent of the solids-not-fat produced.

Labor Efficiency In Dairying Up 23 Percent Since 1957-59

The Dairy Situation, Economic Research Service USDA, February 1963

In 1961, the index of milk production per man-hour stood at 123, with 1957-59 equal to 100. This index measures the relative amount of labor used in the production of a unit of milk. It excludes labor used in producing feed and caring for herd replacements. It means that in 1961 dairy farms produced 23 percent more milk per man-hour than they averaged in 1957-59.

This increase in efficiency was not uniform among the production regions, ranging from 15 percent in the Appalachian region to 31 percent in the Southern Plains.

In all regions, however, these gains represent a much faster rate of improvement in labor efficiency than occurred in earlier years. From 1954 to 1961, milk production per man-hour in the United States increased almost 3 times as fast annually as it had between 1945 and 1954. In 1945, the index number was 56 for the United States compared with 123 in 1961. This represents a gain of 120 percent in labor efficiency over these 16 years.

In 1961, milk cows required 1.7 million man-hours compared with 3.4 million in 1945. This reduction in la-

bor was accompanied by a decline in the number of cows on farms. On January 1, 1945, a total of 27.8 million cows and heifers 2 years old and older were kept for milk compared with 19.3 million on January 1, 1961. However, annual milk production during this period increased from 119.8 billion pounds in 1945 to 125.5 billion pounds in 1961. In 1945, milk cows required about 48 percent of the total 7 million man-hours used in the production of livestock and livestock products. In 1961, milk cows took about 44 percent.

MILK PRODUCTION . . .

(Continued from Front Page)

time. Total for the year was 1 percent above 1961.

In the Pacific region this year, California and Washington increased production over a year earlier in almost every month, and the region produced 1.4 percent more milk than in 1961. Production in Alaska was maintained at the 1961 level and in Hawaii rose 4.6 percent.

All other regions had lower milk production in 1962 than in 1961, with declines amounting to 3.6 percent in the Northern Plains, 1.6 percent in the Mountain States, 1.4 percent in the Southeast, and 1.2 percent in the Delta States. The Corn Belt, Appalachian, and Southern Plains regions all had declines of less than 1 percent. Lower 1962 output in the Southeast, Delta, Southern Plains, and Appalachian regions reflected poor pasture conditions in spring and early summer.

FOREST USE . . .

Paper. About 400 pounds of paper per person is consumed each year. This requires the net annual wood growth from about $\frac{3}{4}$ acre of commercial forest. A large New York paper uses the equivalent of the net annual growth from 6,000 acres of commercial forest land for its Sunday issue, or the net annual growth from 500,000 acres every year.

Data For Alaska and Hawaii Become Available

The Dairy Situation, Economic Research Service USDA, February 1963

Data from Alaska and Hawaii on milk production in 1961 and 1962, along with current monthly production now are made available from USDA's Statistical Reporting Service. This initiates the incorporation of Alaska and Hawaii data into dairy statistics for the United States.

This year for the first time SRS reported cow numbers in Alaska and Hawaii as a regular part of its January cattle inventory information. Alaska reported 2,900 milk cows and heifers 2 years and older on January 1, 1963, compared with 3,200 a year earlier. Hawaii had 16,000 on both dates. Thus, on a 50-State basis, cow numbers on January 1, 1963 were 18,730,000 and 19,167,000 at the beginning of 1962. Hawaii and Alaska

together account for about 0.1 percent of total U. S. milk cows.

Earlier published data on milk cow numbers and milk production in Hawaii included information only on herds of more than 10 cows. The new estimate covers all herds. According to the Census of Agriculture, Hawaii in 1959 had 1,362 farms with milk cows and Alaska had 159.

Beginning with January 1963, milk production for Hawaii and Alaska is included in monthly milk production estimates. Hawaii will be reported separately. Alaska will be included in the "Other States" total. Nevada and Florida also have been added to the States for which milk production is reported separately.



Market Quotations

FEBRUARY
1963

MINNESOTA - WISCONSIN PRICE SERIES	\$3.10
MIDWEST CONDENSERIES 3.5% per Cwt.	3.052
4 CONDENSERIES (Tri-State) 3.5%, per Cwt.	2.80
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.102
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Tri-State)	3.001
Average Weekly Cheddars price per lb.3431
Average price per lb. 92-score butter at Chicago5794
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant.1395

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